

**ASSEMBLY BILL**

**No. 476**

**Introduced by Assembly Member Correa**

February 14, 2003

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An act to amend Section 22825 of the Government Code, relating to the Public Employees' Medical and Hospital Care Act.

LEGISLATIVE COUNSEL'S DIGEST

AB 476, as introduced, Correa. Public Employees' Medical and Hospital Care Act: contributions: cafeteria plans.

The Public Employees' Medical and Hospital Care Act provides for health benefits plans and contracts for public employees and sets forth the public employer's contributions to those plans. Pursuant to these provisions, the public employer's contribution for each employee or annuitant is required to be the amount necessary to pay the cost of enrollment for that employee or annuitant, including any family members enrolled in a health benefit plan, as specified.

This bill would clarify that "employer contributions," includes, but is not limited to, any payment made by an employer on behalf of an employee into a cafeteria plan, as defined.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 22825 of the Government Code is  
2 amended to read:  
3 22825. (a) The employer and each employee or annuitant  
4 shall contribute a portion of the cost of providing for each

1 employee and annuitant the benefit coverage afforded under any  
2 health benefit plan that the board has approved or for which it has  
3 executed a contract pursuant to this part, and in which the  
4 employee or annuitant may be enrolled.

5 (b) The employer's contribution for each employee or  
6 annuitant shall be the amount necessary to pay the cost of his or her  
7 enrollment, including the enrollment of his or her family  
8 members, in a health benefits plan or plans, or, if less, as follows:

9 (1) Prior to January 1, 2004, sixteen dollars (\$16) per month.

10 (2) During calendar year 2004, thirty-two dollars and twenty  
11 cents (\$32.20) per month.

12 (3) During calendar year 2005, forty-eight dollars and forty  
13 cents (\$48.40) per month.

14 (4) During calendar year 2006, sixty-four dollars and sixty  
15 cents (\$64.60) per month.

16 (5) During calendar year 2007, eighty dollars and eighty cents  
17 (\$80.80) per month.

18 (6) During calendar year 2008, ninety-seven dollars (\$97) per  
19 month.

20 (c) (1) Commencing January 1, 2009, the employer's  
21 contribution shall be adjusted annually by the board to reflect any  
22 change in the medical care component of the Consumer Price  
23 Index. There shall be only one contribution with respect to all  
24 annuitants receiving allowances as survivors of the same  
25 employee or annuitant.

26 ~~(e)~~

27 (2) *For purposes of this section, "employer contributions"*  
28 *includes, but is not limited to, any payment made by an employer*  
29 *on behalf of an employee into a cafeteria plan, as defined by 26*  
30 *U.S.C. Sec. 125, without regard to whether that plan is qualified*  
31 *under the federal Internal Revenue Code.*

32 (d) The contribution of each employee and annuitant shall be  
33 the total cost per month of the benefit coverage afforded him or her  
34 under the plan or plans less the portion thereof to be contributed  
35 by the employer.

36 ~~(d)~~

37 (e) If the provisions of this section are in conflict with the  
38 provisions of a memorandum of understanding reached pursuant  
39 to Section 3517.5, the memorandum of understanding shall be  
40 controlling without further legislative action, except that if those

1 provisions of a memorandum of understanding require the  
2 expenditure of funds, the provisions may not become effective  
3 unless approved by the Legislature in the annual Budget Act.

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